Rationalisation of distribution of subsidies

6876. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that subsidies provided by Government are meant for the poor but rarely reach them;

(b) whether it is also a fact that a large number of not so poor take the benefit of these subsidies excluding the real beneficiaries that it the real poor;

(c) whether Government propose to rationalise the distribution of these subsidies; and

(d) if so, the schemes framed for the purpose?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V CHANDRASHEKARA MURTHY): (a) to (d) The poor drawing ration from the Public Distribution System (PDS) and small and marginal farmers using fertilizers are benefitted from food and fertilizer subsidies, respectively because of lower prices. The prices of commodities distributed by PDS and fertilizer would have been higher in absence of fertilizer and food subsidies. In fact fertilizer subsidy has met its objective in raising agricultural production, achieving thereby the self-sufficiency in foodgrains in the country.

However, to serve effectively backward and remote blocks in tribal and dry land areas, the Government had introduced from June 1992 a special scheme to revamp the PDS (RPDS) where additional items like tea, soap, pulses and iodised salt began to be supplied by State Governments in 1775 blocks. Additional quantities of foodgrains (rice and wheat) for RPDS, over and above the normal allocations to states, are assured for distribution in these 'revamped' FPSs at a price which is lower than the central issue price (CIP) by Rs 50 per quintal as compared to normal PDS elsewhere. The State Governments are also advised to ensure that the retail prices at the 'revamped' fair price shops are not higher than CIP by more than 25 paise/Kg. Besides the existing 1775 RPDS blocks, Government have identified additional 409 blocks for inclusion under the RPDS Scheme.

The poor have directly benefitted from the anti-poverty programmes. Under the Integrated Rural Development Programme (IRDP) most of the assistance was given to poor during 1992-93. Barring a few cases of misutilization, there is no evidence to indicate that subsidy under IRDP does not reach the target group of beneficiaries below poverty line. However, to plug leakages the Government is considering to switch over from front end to back end system of subsidy as recommended by an Expert Committee on IRDP set up by RBI.

Inter-branch banks reconciliation accounts

6877. SHRI O. P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether there is inordinate delay in clearing the arrears in inter-branch reconciliation accounts;

(b) if so, the details thereof;

(c) the number of outstanding entries in this regard and how much money is involved therein; and

(d) how much time will it take to reconcile the entries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V CHANDRASHEKARA MURTHY): (a) to (d) Reserve Bank of India (RBI), has reported that while on 30-9-94 there were 65.55 lakh entries for the period ending 31-3-1993 involving an amount of Rs. 369199.48 crores outstandding in inter branch reconciliation accounts of public sector banks, the corresponding figures had come down to 41.64 lakh entries involving an amount of Rs. 92.904.95